

 Early Warning System

ADB-59212-001

Municipal Renewable Energy Transition Program



### Quick Facts

Countries	Turkiye
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Borrower	Government of Turkiye
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 220.00 million
Loan Amount (USD)	\$ 220.00 million



## Project Description

As stated by the ADB, the proposed RBL program aims to increase the use of RE through self-generation by municipalities in public facilities. Oller Bankas1 Anonim ^irketi (OLBANK), a government body responsible for overseeing and providing funds to municipalities for government-approved development projects, has approached ADB for financial assistance to expedite and facilitate municipalities in contributing to the successful implementation of Turkiye's National Energy Plan 2022 as well as Turkiye's Energy Transition Plan of enhancing energy security by increasing the RE share to 120 GWs by 2035 and transition to a carbon-neutral economy by 2053.

The rationale of the proposed program stems from Turkiye's commitment to energy security, fiscal sustainability, and climate action especially in the wake of economic shocks, rising energy prices, and the 2023 earthquakes. Turkiye's energy policy is centered on ensuring affordable energy, enhancing energy security, and liberalizing the energy market. Turkiye's energy sector is at a critical juncture, characterized by rapid growth in energy demand, heavy reliance on imported energy, ambitious targets for renewable energy (RE) adoption, and ongoing efforts to enhance energy security and independence. Rapid economic and population growth in Turkiye over the past 2 decades have not only driven strong growth in energy demand, but also an associated increase in import dependency. As a result, Turkiye has pursued a restructuring of its energy system with the aim of rationalizing energy demand growth, lowering energy prices and slowing the pace of import growth. These reforms have included measures targeted at network modernization, liberalization, increased domestic production capacity, and considerable diversification of its energy mix. Despite Turkiye's strong RE potential and policy commitment, the uptake of distributed RE particularly in the public sector remains limited due to grid constraints, financing gaps, and institutional capacity challenges. The 2023 earthquakes and rising energy prices have further underscored the need for resilient, decentralized, and sustainable energy systems.



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## Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

Environment - B

Involuntary Resettlement - B

Indigenous Peoples - C



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### Investment Description

- Asian Development Bank (ADB)

### Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [İller Bankası A.S. \(İlbank\)](#) (Financial Intermediary)



## Private Actors Description

<div class="description\_\_d0544c8a94">As stated by Bloomberg, Iller Bankasi A.S. [is a State-owned financial institution that] operates as an investment bank. The Bank offers investment banking, loan facilities, technical consulting, insurance, and auditing services. Iller Bankasi serves customers in Turkey.</div>



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## Contact Information

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.